

SECRET

STA

6 March 1958

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Overseas Employees Health and Medical Services Act

1. On a recent inquiry to the Bureau of the Budget on H. R. 6141, copy attached, this office was advised that the Administration is giving its support to this bill in the same manner as with H. R. 3527, the Fringe Benefits Act which we discussed the other day. This bill has cleared Budget but has received no action yet in the House Committee on Post Office and Civil Service.

STATINTL

2. At a meeting today this bill was reviewed in detail with the various interested offices. Individuals present were: Personnel

[Redacted]
unanimous conclusion that this was a good bill in that it would expand the scope of existing overseas medical benefits for employees and would provide statutory authority and liberalized benefits for dependents. Further, it would solidify our legal position on the dependent medical program. A summary analysis was prepared by this office in draft form and was used as a basis for our discussions. A copy of this analysis is attached.

3. This bill would grant statutory authority for the provision of medical benefits to employees and their dependents in overseas areas including the Trust Territories of the Pacific islands. It specifically includes maternity, obstetrical, prenatal, postnatal, and

dental services (for which we do not now have authority) and authorizes the provision of these benefits on an out-patient as well as an in-patient basis. Benefits would be provided to employees without cost and to dependents at rates prescribed by regulations issued by the President. The bill will also include authority for providing medical benefits on an out-patient as well as in-patient basis in the United States for conditions incurred overseas.

4. If enacted this bill would repeal our specific authority in section 5 (a)(5) of P. L. 110 as well as comparable Foreign Service Act provisions which authorize medical service and benefit programs overseas. However, this bill provides equivalent or broader authority administered under regulations prescribed by the President.

5. Benefits provided by this bill are as liberal as any which we have seen. Although they may be diminished to some extent by Presidential regulation, it is very unlikely that they will be substantially less than the benefits which the State Department and CIA now have. This bill again represents the trend toward the consolidation and standardization of authorities for all overseas benefits for employees on a government-wide basis.

6. While this bill establishes regulatory authority under the President in connection with these programs it does authorize the delegation and redelegation of this authority. This will undoubtedly occur. The bill also establishes an Overseas Employees Medical Advisory Board to advise, consult with, and make recommendations to the President or his designated representative in the establishment and maintenance of these programs. The Board will consist of government employees appointed by the President or the administering authority.

7. Since this program may pose some administrative and security problems for the Agency in the billing procedures involved and because this Agency represents a substantial proportion of the employee and dependent coverage provided in this bill, it was a unanimous recommendation of the group that the Agency make its interest known and notify appropriate offices of our desire to be represented on the Advisory Board. A proposed letter to the Bureau of the Budget for the Director's signature is attached. I suggest that a similar letter be sent to Mr. Siciliano at the White House, if Gordon Stewart determines this to be appropriate.

STATINTL

Attn - 3

cc: All attending meeting

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SSA-DD/S - Pat Bishop

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